

AR20



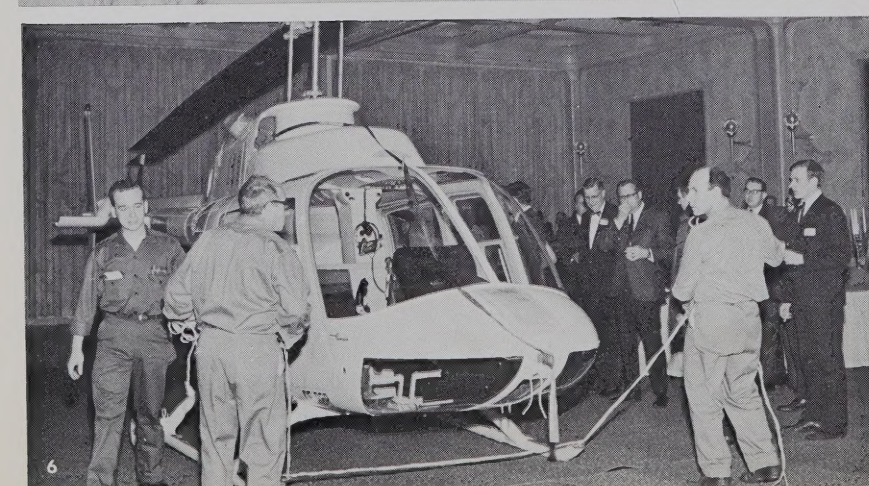
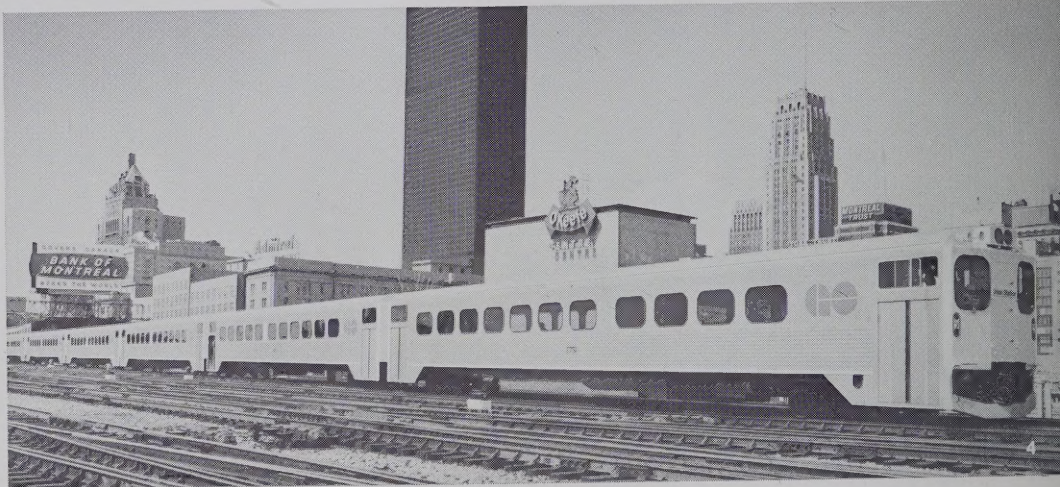
**STANDARD RADIO LIMITED**

**1966-67**

**42nd Annual Report**

**YEAR ENDED MARCH 31, 1967**







AR20



## STANDARD RADIO LIMITED

### *Subsidiary Companies*

CFRB LIMITED — Toronto

CFRB, 1010

CFRX 6.070 mc (49 meter band)

CKFM 99.9

CFRB Background Music Service

CJAD LIMITED — Montreal

CJAD 800

CJFM 95.9

CJAD Background Music Service

STANDARD BROADCAST SALES  
COMPANY LIMITED

Toronto

Montreal

CANADIAN STANDARD BROADCAST  
SALES INC.

New York

STANDARD BROADCAST  
PRODUCTIONS LIMITED

Toronto

MUSIC INSTALLATIONS LIMITED

Toronto

SOUND INSTALLATIONS LIMITED

Montreal

STANDARD  
RADIO  
LIMITED



INTERIM  
REPORT

For the six months ended  
September 30, 1967

# STANDARD RADIO LIMITED

## INTERIM REPORT

(Subject to Audit)

### CONSOLIDATED STATEMENT OF EARNINGS

|                                    | For the Six Months Ended<br>September 30 |             |
|------------------------------------|------------------------------------------|-------------|
|                                    | 1967                                     | 1966        |
| Gross Income.....                  | \$4,582,510                              | \$3,821,451 |
| Operating Costs and Expenses.....  | 2,595,183                                | 2,077,014   |
| Operating Profit.....              | 1,987,327                                | 1,744,437   |
| Depreciation and Amortization..... | 132,612                                  | 119,454     |
| Income from Investments.....       | 119,621                                  | 89,329      |
| Net Earnings Before Taxes.....     | 1,974,336                                | 1,714,312   |
| Provision for Income Taxes.....    | 1,054,500                                | 890,250     |
| NET EARNINGS FOR THE PERIOD.....   | \$ 919,836                               | \$ 824,062  |
| Number of shares outstanding.....  | 1,105,390                                | 1,084,710   |
| Net earnings per share.....        | .832                                     | .760        |

### CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

For the Six months Ended  
September 30

|                                                                          | 1967        | 1966        |
|--------------------------------------------------------------------------|-------------|-------------|
| <i>Source of Funds</i>                                                   |             |             |
| Net Earnings for the Period.....                                         | \$ 919,836  | \$ 824,062  |
| Add: Charges not requiring cash outlay—                                  |             |             |
| Depreciation and Amortization.....                                       | 132,612     | 119,454     |
| Proceeds from Issue of Shares under Option (authorized June 24, 1964)... | 202,420     | 72,426      |
|                                                                          | 1,254,868   | 1,015,942   |
| <i>Use of Funds</i>                                                      |             |             |
| Additions to Fixed Assets.....                                           | 124,501     | 77,301      |
| Dividends Paid.....                                                      | 220,845     | 195,056     |
|                                                                          | 345,346     | 272,357     |
| Increase in Working Capital.....                                         | \$ 909,522  | \$ 743,585  |
| Working Capital — April 1.....                                           | 4,779,574   | 3,528,697   |
| Increase in Working Capital.....                                         | 909,522     | 743,585     |
| Working Capital — September 30.....                                      | \$5,689,096 | \$4,272,282 |

To the shareholders

Consolidated net earnings after taxes of Standard Radio and its seven subsidiaries for the six months ended September 30, 1967 amounted to \$919,836, an increase of 11% over the corresponding period in the previous year.

Consolidated gross income for the six months was \$4,582,510 compared with \$3,821,451 in 1966. Each of the company's subsidiaries experienced increases in gross sales and improvement in net revenues.

The current six months' expenses include the full costs incurred during that period of CFRB's application for a Toronto television license.

CFRB made a television presentation regarding Channel 13 Toronto at the June hearings of the Board of Broadcast Governors who subsequently announced that they wished to hear CFRB's application at their November, 1967, hearings. It now appears that this application cannot be heard until sometime in 1968 pending the completion of a review of channel availabilities being undertaken by the Government.

The working capital of \$5,689,096 at September 30, 1967, remains largely invested in short-term Government securities and deposits with Banks and Trust Companies.

Your Company's broadcasting stations commence the second half of this financial year with orders on hand at an all time high for that time of the year.

*W. C. Thornton*

W. C. Thornton Cran, President

Toronto, Ontario  
October 31, 1967



# Standard Radio Limited

## Notice of Annual Meeting of Shareholders

July 12, 1967

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NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of STANDARD RADIO LIMITED (hereinafter called the "Company") will be held in the Company's offices, 2 St. Clair Avenue West, Toronto, Ontario, on Wednesday, the 12th day of July, 1967 at 12:00 o'clock noon (Eastern Daylight Saving Time) for the following purposes:

1. To receive the consolidated financial statements of the Company and its subsidiary companies for the year ended March 31, 1967, together with the reports of the directors and auditors thereon.
2. To elect directors.
3. To appoint auditors.
4. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

DATED at Toronto the 12th day of June, 1967.

By Order of the Board,

D. A. WILLIAMS,  
*Secretary.*

NOTE: If you are the holder of common shares of the Company and are not able to be personally present, kindly fill in, sign and return in the envelope provided for that purpose the enclosed instrument of proxy.

### INFORMATION CIRCULAR

The information contained in this circular is furnished in connection with the solicitation of proxies by the management of STANDARD RADIO LIMITED (hereinafter sometimes called the "Company") for use at the annual meeting of shareholders of the Company (hereinafter called the "meeting") to be held on Wednesday, July 12, 1967, at 12:00 o'clock noon (Eastern Daylight Saving Time) in the Company's offices, 2 St. Clair Avenue West, Toronto, Ontario, for the purposes set forth in the foregoing notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company. The cost of solicitation will be borne by the Company.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only holders of common shares without par value of the Company will be entitled to vote at the meeting. Each holder of a common share of the Company of record on July 12, 1967, the date of the meeting, is entitled to one vote for each such share held. As at May 29, 1967, 1,101,015 common shares of the Company were outstanding.

Argus Corporation Limited beneficially owns 536,995 common shares of the Company, which represents approximately 48.8% of the outstanding equity shares of the Company.

### ELECTION OF DIRECTORS

The following are the names of the persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy which is hereby solicited: George M. Black, Jr., William A. Corbett, W. C. Thornton Cran, Pierre P. Daigle, Hon. George B. Foster, W. Leo Knowlton, A. Bruce Matthews, Maxwell C. G. Meighen, John A. McDougald and J. H. Ratcliffe.



The terms of office for each such person will be until the next annual meeting or until his successor is appointed. In the event that prior to the annual meeting any vacancies occur in the slate of nominees submitted herewith it is intended that discretionary authority shall be exercised to vote the proxy for the election of any other person or persons as directors.

#### INFORMATION CONCERNING NOMINEES AS DIRECTORS

| <u>Name and Present Principal Occupation</u>                                                                                                    | <u>Year first elected to Board</u> | <u>Approximate number of common shares beneficially owned directly or indirectly as of May 29, 1967</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------|
| GEORGE M. BLACK, JR.<br>Director, Argus Corporation Limited (Investment Holding Corporation)                                                    | 1964                               | 1,000                                                                                                   |
| WILLIAM A. CORBETT,<br>Solicitor, Fraser, Beatty, Tucker, McIntosh and Stewart<br>(Barristers and Solicitors).....                              | 1966                               | 25                                                                                                      |
| W. C. THORNTON CRAN<br>President, Standard Radio Limited<br>(Holding Company).....                                                              | 1959                               | 10,500                                                                                                  |
| PIERRE P. DAIGLE<br>Vice-President, Daigle & Paul Ltée (Lumber Dealers).....                                                                    | 1961                               | 25                                                                                                      |
| HON. GEORGE B. FOSTER, Q.C.,<br>Barrister, Foster, Watt, Leggat & Colby (Barristers and Solicitors)...                                          | 1961                               | 1,750                                                                                                   |
| W. LEO KNOWLTON, Q.C.<br>Chairman of the Board, Zurich Life Insurance Company<br>(Life Insurance Company).....                                  | 1960                               | 50                                                                                                      |
| A. BRUCE MATTHEWS,<br>Chairman of the Board, Excelsior Life Insurance Company<br>(Life Insurance Company).....                                  | 1953                               | 5,060                                                                                                   |
| MAXWELL C. G. MEIGHEN,<br>President, Canadian General Investment Limited<br>(Closed End Investment Trust).....                                  | 1965                               | 100                                                                                                     |
| JOHN A. McDUGALD,<br>Chairman of the Executive Committee and Vice-President, Argus<br>Corporation Limited (Investment Holding Corporation)..... | 1947                               | 5,000                                                                                                   |
| J. HARRY RATCLIFFE,<br>Chairman of the Board, McLeod, Young, Weir & Co.<br>(Investment Dealers).....                                            | 1950                               | 3,000                                                                                                   |

NOTE: (a) Mr. John A. McDougald is also Chairman of the Board of the Company.

(b) Each nominee who is stated to have first become a director in a specified year has served continuously as a director from the year indicated.

(c) The above nominees have held their principal occupations for five years and over.

#### REMUNERATION OF MANAGEMENT

During the fiscal year ended March 31, 1967, the aggregate direct remuneration paid or payable by the Company to all directors and senior officers as a group was \$295,982; the estimated aggregate cost to the Company and its subsidiaries of all pension benefits proposed to be paid to directors and senior officers as a group under the Company's normal pension plan in the event of retirement at normal retirement age was \$3,996; and the aggregate of all remuneration payments (other than those referred to above) proposed to be made in future by the Company or any of its subsidiaries to directors and senior officers of the Company cannot at the present time be definitely stated but the maximum amount which the Company may be required to pay in any one year under arrangements now in effect is \$20,000.

## STOCK OPTIONS

Since March 31, 1966, senior officers of the Company as a group have purchased common shares of the Company pursuant to stock options granted to them by the Company as follows:

| <u>Date of Purchase</u>  | <u>Shares<br/>Purchased</u> | <u>Purchase<br/>Price<br/>Per Share</u> | <u>Price Range</u><br>30 day Period Preceding<br><u>Date of Purchase</u> |            |
|--------------------------|-----------------------------|-----------------------------------------|--------------------------------------------------------------------------|------------|
|                          |                             |                                         | <u>High</u>                                                              | <u>Low</u> |
| July 12, 1966 .....      | 500                         | \$11.8125                               | \$24.00                                                                  | \$21.75    |
| September 13, 1966 ..... | 100                         | \$11.8125                               | \$22.62                                                                  | \$19.62    |
| December 1, 1966 .....   | 1,000                       | \$11.8125                               | \$23.25                                                                  | \$20.50    |
| December 13, 1966 .....  | 100                         | \$11.8125                               | \$23.25                                                                  | \$20.50    |
| April 10, 1967 .....     | 2,000                       | \$11.8125                               | \$30.50                                                                  | \$25.37    |
| May 2, 1967 .....        | 2,500                       | \$11.8125                               | \$30.50                                                                  | \$28.25    |
| May 25, 1967 .....       | 1,000                       | \$11.8125                               | \$31.00                                                                  | \$29.00    |

## APPOINTMENT OF AUDITORS

It is intended to vote the proxy to re-appoint the firm of McDonald, Currie & Co., the present auditors, as auditors of the Company to hold office until the next annual meeting of shareholders.

## VOTING OF PROXIES

**A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the meeting other than the persons designated in the enclosed form of proxy. To exercise this right the shareholder may insert the name of the desired person in the blank space provided in the proxy and strike out the other names or may submit another appropriate proxy.**

The shares represented by the proxy will be voted and where a choice with respect to any matter to be acted upon has been specified in the form of proxy the shares will, subject to Section 105 of The Securities Act, 1966, (Ontario), be voted in accordance with the specifications so made.

The form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting.

It is not intended to use the proxy for the purpose of voting upon the consolidated financial statements of the Company and its subsidiary companies for the year ended March 31, 1967 and the reports of the directors and auditors thereon.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised.

## GENERAL

The management knows of no matters to come before the meeting other than the matters referred to in the notice of the meeting. However, if any other matters which are not now known to the management should properly come before the meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the person voting the proxy.

June 12, 1967







# STANDARD RADIO LIMITED 1966-67



## DIRECTORS AND OFFICERS

### BOARD OF DIRECTORS

George Montegu Black, Jr.  
William A. Corbett  
W. C. Thornton Cran, C.A.  
Pierre P. Daigle  
Hon. George B. Foster, Q.C.  
W. Leo Knowlton, Q.C.  
A. Bruce Matthews, C.B.E., D.S.O., E.D.  
John A. McDougald  
Maxwell C. G. Meighen, O.B.E.  
J. Harry Ratcliffe, C.B.E.

### OFFICERS

*Chairman of the Board*, John A. McDougald  
*President*, W. C. Thornton Cran  
*Vice-President*, Donald H. Hartford  
*Vice-President*, Waldo J. Holden  
*Vice-President*, Hollis T. McCurdy  
*Vice-President, Secretary*  
*and Treasurer*, D. A. Williams, C.A.  
*Assistant Secretary*, John Mogg, F.C.I.S.  
*Assistant Treasurer*, Mrs. M. M. MacRae

### TRANSFER AGENT AND REGISTRAR

Crown Trust Company, Toronto and Montreal

### AUDITORS

McDonald, Currie & Co.  
Chartered Accountants

### BANKERS

Canadian Imperial Bank of Commerce  
The Royal Bank of Canada

### SUBSIDIARY COMPANIES

CFRB Limited, Toronto  
CJAD Limited, Montreal  
Standard Broadcast Sales Company Limited  
Toronto and Montreal  
Canadian Standard Broadcast Sales Inc.  
New York  
Standard Broadcast Productions Limited,  
Toronto

## YEAR ENDED MARCH 31, 1967

The Annual Meeting of Shareholders will be held at the Head Office of the Company, 2 St. Clair Avenue West, Toronto, on Wednesday, July 12, 1967, at 12.00 noon.

1. Minus make-up, internationally-famous pantomimist Marcel Marceau was interviewed on "The Betty Kennedy Show" during his appearance at the O'Keefe Centre.

2. CFRB staff members and families held a special Christmas Church Service in the restored 19th Century church in Pioneer Village. The ecumenical service was broadcast Christmas Day on CFRB.

3. Glamorous stage and television star, Diahann Carroll, made a guest appearance on CFRB during her feature performance at the O'Keefe Centre with Al Hirt.

4. CFRB Background Music service was chosen for installation in the new Government of Ontario Transit "GO" Trains carrying commuters from as far as Hamilton and Pickering.

5. CFRB Toronto and CJAD Montreal were the first radio stations in Canada to introduce the latest Bell Jet Ranger Helicopters for traffic reporting. They fly twice as fast and twice as far as ordinary helicopters.

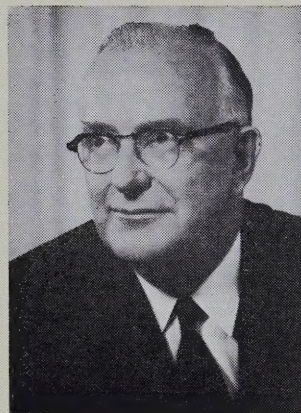
6. CFRB's new Jet Ranger Helicopter flew in from Texas just in time to serve as focal point for the station's 40th Anniversary Party, attended by some 1500 guests at the Inn-on-the-Park's "Centennial Ballroom".

7. Ontario Minister of Economics and Development, Stanley Randall (left) and C. Warren Reynolds (right), President of Ronalds Reynolds Advertising, shown with W. C. Thornton Cran, were among the guests at CFRB's 40th Anniversary Party.





JOHN A. McDOUGALD  
Chairman of the Board



W. C. THORNTON CRAN  
President

## REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 42nd Annual Report of the Company which reviews the twelve months ended March 31st, 1967.

During the year we again achieved further growth and development. After providing for taxes, dividends and capital expenditures, the net working capital increased by \$1,250,877 to a total of \$4,779,574. The net earnings per share amounted to \$1.36 compared with \$1.17 in the previous year.

On April 10th, 1967, the annual rate of dividend was increased from 36¢ to 40¢ per share.

### RADIO BROADCASTING

In Toronto, Radio Station CFRB continued to expand its very wide audience and there was a resultant gain in sales and profits.

Radio Station CKFM has established for itself a substantial audience in the Toronto market and as a result, its revenue and profits have shown a marked increase.

In Montreal, Radio Station CJAD continued its leadership in the market and achieved record sales and profits.



Radio Station CJFM, whilst showing some improvement in revenue, still continues to experience strong competition in the Montreal FM market.

## **BACKGROUND MUSIC**

The Montreal Division continued its steady progress and, for the first time, contributed to your Company's profits.

The Toronto Division completed its first year of operation and while it incurred a loss in accordance with its budget, gives promise of a profitable future.

## **STANDARD BROADCAST SALES COMPANY LIMITED**

The past year showed continued expansion and increased profits for this Company. Last October, a new Canadian Regional Division was established. The New York subsidiary completed its first full year of operation but has not yet achieved sufficient expansion to be able to contribute to the corporate profits.

The management of the sales companies was strengthened by the appointment of Mr. W. L. Heisey as Executive Vice-President.

## **NEWS AND SYNDICATION SERVICES**

In June, 1966, your Company formed Standard Broadcast Productions Limited, another wholly-owned subsidiary. This Company transmits hourly news reports to other broadcasting stations from coast to coast in Canada and also syndicates programs of outstanding personalities.

Whilst the news service of NBC is an important source of these programs, Canadian and in particular Ottawa news, plays an equal if not more important part of this service. Although this Division appears to hold promise for the future, it did not contribute to corporate profits in its initial year. Standard Broadcast Productions and the Canadian Talent Library are outstanding examples of how major private broadcasters can assist smaller Canadian stations to improve both the quality of programming and the degree of Canadian content. The Canadian Talent Library, which your Company formed and operates as a non-profit Trust, is now subscribed to by 92 other broadcasting stations in Canada.

## **TELEVISION**

Following a number of representations made by your Company to the authorities in Ottawa, we are pleased to report that the Board of Broadcast Governors announced in November, 1966, that it would hear applications not sooner than June 20th, 1967, for third television licenses in Toronto and Montreal. We are making strenuous efforts to obtain a license for the Toronto area and have done a tremendous amount of research work and conducted numerous negotiations to demonstrate conclusively that a third VHF channel could be made available for licensing to the Toronto area.

CFRB was the first applicant for a TV license in Canada. Its original application was made in 1938 - nearly 30 years ago. During all these years CFRB has vigorously and consistently pursued the matter and has lost no opportunity to bring its application

to the attention of the Government authorities. It has again recently lodged its applications with the Department of Transport for a Toronto license and these are, again, under consideration.

If we are successful in obtaining such a license the financing of the cost of constructing and equipping a television station to serve the large Toronto market has been arranged. Whilst experience indicates that during the first few years of a new television operation substantial losses may be incurred, we are confident that the long-term benefits of such an undertaking would be profitable and worthwhile.

## **OUTLOOK**

Your Company's broadcast orders on hand are higher than in any previous year and we have every expectation that our present businesses will continue to flourish. If our television application is successful, the long-term prospect of future growth would increase significantly. If the television application is not successful, your management will continue to seek further opportunities for expansion.

Whilst the pending new legislation covering the regulation of broadcasting is not yet available, we await its release with considerable interest. Notwithstanding the fact that the broadcasting business is already highly regulated by the Government, the recent White Paper and the findings of the Parliamentary Committee on Broadcasting indicate proposals to increase such Governmental control. However, we trust that broadcasters who provide a responsible and worthwhile service will not be too adversely affected.

Competition in our business continues to be vigorous but this is the natural operation of free enterprise. We are privileged to be the leading radio broadcasters in Canada's two largest cities and this means that while our opportunities are great, so are our responsibilities. This is the heart of your Company's approach to broadcasting. We will never be satisfied with current horizons but must seek additional means of improvement within our business, and find every opportunity for growth in allied fields.

The continued efforts and abilities of the staff have been significant factors in your Company's growth and development during its 40 years of broadcasting. We again express our sincere appreciation to all members of our organization who have performed their duties so well during this record year of achievement.

JOHN A. McDOUGALD  
Chairman of the Board

W. C. THORNTON CRAN  
President

June 12, 1967



**STANDARD R**

AND SUBSIDI

**CONSOLIDATED****A S A T M A R****ASSETS**

|                                                                                    | 1967               | 1966               |
|------------------------------------------------------------------------------------|--------------------|--------------------|
| CURRENT                                                                            |                    |                    |
| Cash.....                                                                          | \$ 66,015          | \$ 75,122          |
| Marketable and other investments—<br>at cost, which approximates market value..... | 4,466,528          | 2,969,726          |
| Accounts receivable.....                                                           | 1,252,436          | 988,382            |
| Mortgage receivable.....                                                           | —                  | 375,000            |
| Prepaid expenses.....                                                              | 163,474            | 152,181            |
|                                                                                    | <u>5,948,453</u>   | <u>4,560,411</u>   |
| FIXED—at cost                                                                      |                    |                    |
| Buildings and equipment.....                                                       | 2,559,012          | 2,664,839          |
| Accumulated depreciation.....                                                      | 1,762,043          | 1,876,596          |
|                                                                                    | <u>796,969</u>     | <u>788,243</u>     |
| Leasehold improvements, less amortization.....                                     | 405,782            | 449,483            |
| Land.....                                                                          | 222,427            | 222,367            |
|                                                                                    | <u>1,425,178</u>   | <u>1,460,093</u>   |
|                                                                                    | <u>\$7,373,631</u> | <u>\$6,020,504</u> |

**AUDITORS' REPORT**

We have examined the consolidated balance sheet of Standard Radio Limited and subsidiary companies as at March 31, 1967, and the consolidated statements of earnings, reinvested earnings, and source and use of funds, for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, May 10, 1967



# DIO LIMITED

COMPANIES

## ALANCE SHEET

H 31, 1967

### LIABILITIES

|                                   | 1967             | 1966             |
|-----------------------------------|------------------|------------------|
| CURRENT                           |                  |                  |
| Accounts payable and accrued..... | \$ 388,180       | \$ 362,472       |
| Income Taxes.....                 | 671,713          | 572,148          |
| Dividend payable.....             | 108,986          | 97,094           |
|                                   | <u>1,168,879</u> | <u>1,031,714</u> |

### SHAREHOLDERS' EQUITY

|                                                         |                    |                    |
|---------------------------------------------------------|--------------------|--------------------|
| Capital stock                                           |                    |                    |
| Authorized—                                             |                    |                    |
| 2,000,000 common shares without nominal or<br>par value |                    |                    |
| Issued and fully paid—                                  |                    |                    |
| 1,089,860 shares (Note 2).....                          | 501,789            | 366,669            |
| Reinvested earnings.....                                | 5,702,963          | 4,622,121          |
|                                                         | <u>6,204,752</u>   | <u>4,988,790</u>   |
|                                                         | <u>\$7,373,631</u> | <u>\$6,020,504</u> |

Signed on behalf of the Board:

JOHN A. McDOUGALD  
W. C. THORNTON CRAN  
*Directors*

### THE SHAREHOLDERS

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, reinvested earnings, and source and use of funds, when read in conjunction with the notes thereto, present fairly the consolidated financial position of the companies as at March 31, 1967, and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*He Donald Currie & Co.*  
*Chartered Accountants.*



## CONSOLIDATED STATEMENT OF EARNINGS

FOR THE YEAR ENDED MARCH 31

|                                                                            | 1967               | 1966               |
|----------------------------------------------------------------------------|--------------------|--------------------|
| OPERATING PROFIT—before depreciation and amortization (Notes 1 and 3)..... | \$3,110,768        | \$2,698,388        |
| Depreciation and Amortization.....                                         | 260,139            | 260,863            |
|                                                                            | <u>2,850,629</u>   | <u>2,437,525</u>   |
| Income from Investments.....                                               | 196,063            | 126,747            |
| Profit on Sale of Land.....                                                | —                  | 46,095             |
|                                                                            | <u>3,046,692</u>   | <u>2,610,367</u>   |
| PROVISION FOR INCOME TAXES.....                                            | 1,564,000          | 1,341,000          |
| NET EARNINGS FOR THE YEAR.....                                             | <u>\$1,482,692</u> | <u>\$1,269,367</u> |
| <i>Net Earnings Per Share</i> .....                                        | <i>\$1.36</i>      | <i>\$1.176</i>     |

## CONSOLIDATED STATEMENT OF REINVESTED EARNINGS

FOR THE YEAR ENDED MARCH 31

|                                                                                                                        | 1967               | 1966               |
|------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| BALANCE—Beginning of Year.....                                                                                         | \$4,622,121        | \$3,824,127        |
| Net Earnings for the Year.....                                                                                         | 1,482,692          | 1,269,367          |
|                                                                                                                        | <u>6,104,813</u>   | <u>5,093,494</u>   |
| Dividends Paid.....                                                                                                    | 401,850            | 339,217            |
| Goodwill, contracts and other intangible assets of United States subsidiary purchased during the year written off..... | —                  | 132,156            |
| BALANCE—End of Year.....                                                                                               | <u>\$5,702,963</u> | <u>\$4,622,121</u> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SALES OR GROSS REVENUE—The total amount of sales or gross revenue derived from the operations of the Company and its subsidiaries has been omitted as authorized by a court order dated April 24, 1967, made under Section 117 of the Canada Corporations Act.
2. STOCK OPTION PLAN—Of the 50,000 unissued shares reserved under the stock option plan approved by the Shareholders on June 24, 1964, there are 14,300 shares which have not as yet been allotted. At March 31, 1967 there were unexercised options covering 20,840 shares (officers 8,500 shares; other key employees of the company and its subsidiaries 12,340 shares). Option prices, which are not less than market prices when the options were granted, range from \$11.81 to \$19.63 per share and options are exercisable for terms not exceeding four years. During the year options were exercised on 10,935 shares for consideration of \$135,119.70.
3. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS—Remuneration and fees paid to company's directors including directors holding salaried employment with the company totalled \$117,334 (\$109,750 previous year). Salaries of senior officers who were not directors amounted to \$168,658 (\$120,646 previous year).
4. LONG TERM LEASE—The aggregate liability as at March 31, 1967, for future rental under leases on premises occupied by the companies amounts to \$3,159,000 and is applicable to terms not exceeding 23 years.
5. UNITED STATES SUBSIDIARY—The accounts of this subsidiary company have been converted at the approximate rate of exchange prevailing at the year end.
6. CONTINGENT CAPITAL COMMITMENT—In March, 1967, Standard Radio Limited authorized its subsidiary CFRB Limited, to lodge applications with the Government of Canada for a license for a third Toronto VHF television station. If such a license were granted and CFRB Limited were to proceed with this project it would incur substantial capital expenditures which would be met from existing resources and funds to be provided under a commitment from its bankers.



# CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

FOR THE YEAR ENDED MARCH 31

## Source of Funds

|                                                                               | 1967        | 1966        |
|-------------------------------------------------------------------------------|-------------|-------------|
| Net Earnings for the Year.....                                                | \$1,482,692 | \$1,269,367 |
| Add: Charges not requiring cash outlay—<br>Depreciation and amortization..... | 260,139     | 260,863     |
|                                                                               | 1,742,831   | 1,530,230   |
| Deduct: Profit on Sale of Land.....                                           | —           | 46,095      |
|                                                                               | 1,742,831   | 1,484,135   |
| Proceeds on Sale of Fixed Assets.....                                         | 7,818       | 441,546     |
| Proceeds from Issue of Shares Under Option.....                               | 135,120     | 40,458      |
|                                                                               | 1,885,769   | 1,966,139   |

## Use of Funds

|                                                                                                          |             |             |
|----------------------------------------------------------------------------------------------------------|-------------|-------------|
| Additions to Fixed Assets.....                                                                           | 233,042     | 618,746     |
| Dividends paid.....                                                                                      | 401,850     | 339,217     |
| Goodwill, contracts and other intangible assets of<br>United States subsidiary purchased during the year | —           | 132,156     |
|                                                                                                          | 634,892     | 1,090,119   |
| Increase in Working Capital.....                                                                         | 1,250,877   | 876,020     |
| Working Capital—Beginning of Year.....                                                                   | 3,528,697   | 2,652,677   |
| Increase in Working Capital.....                                                                         | 1,250,877   | 876,020     |
| Working Capital—End of Year.....                                                                         | \$4,779,574 | \$3,528,697 |

# SEVEN YEAR COMPARATIVE STATEMENT OF EARNINGS

(000 OMITTED)

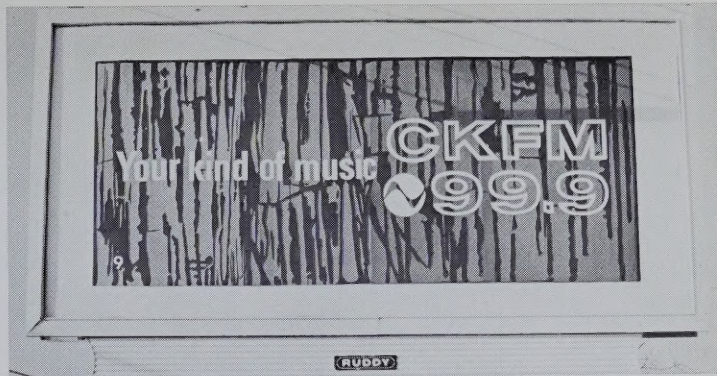
|                                                                | 1967   | 1966    | 1965  | 1964  | 1963  | 1962  | 1961 |
|----------------------------------------------------------------|--------|---------|-------|-------|-------|-------|------|
| Operating Profit before<br>Depreciation.....                   | 3,111  | 2,698   | 2,372 | 2,041 | 1,542 | 1,230 | 794  |
| Depreciation.....                                              | 260    | 261     | 263   | 347   | 173   | 169   | 58   |
|                                                                | 2,851  | 2,437   | 2,109 | 1,694 | 1,369 | 1,061 | 736  |
| Profit on Sale of Land.....                                    | —      | 46      | —     | —     | —     | —     | —    |
| Investment Income.....                                         | 196    | 127     | 82    | 70    | 64    | 36    | 65   |
|                                                                | 3,047  | 2,610   | 2,191 | 1,764 | 1,433 | 1,097 | 801  |
| Past Service Pension Payment..                                 | —      | —       | —     | —     | —     | —     | 125  |
|                                                                | 3,047  | 2,610   | 2,191 | 1,764 | 1,433 | 1,097 | 676  |
| Provision for Income Taxes....                                 | 1,564  | 1,341   | 1,122 | 917   | 744   | 578   | 364  |
| Net Earnings for the Year.....                                 | 1,483  | 1,269   | 1,069 | 847   | 689   | 519   | 312  |
| Per Share ( <i>Adjusted for Stock split<br/>in 1962</i> )..... | \$1.36 | \$1.176 | .994  | .788  | .641  | .482  | .290 |





1. Newly-appointed CFRB News Director, Arthur Harnett, at Toronto headquarters of Standard Radio News, a voice news reporting service that disseminates news simultaneously to stations from coast to coast.
2. Television star and night club comedian, Canadian-born impersonator Rich Little visited CFRB during a recent Toronto engagement.
3. Jackie Robinson, at CJAD's suggestion, brought the Continental Football League's Brooklyn team to play the Montreal Beavers at Expo Stadium, in aid of the Scholarship Fund for Coloured Children.
4. A few of CJAD's many Expo Ambassadors, lucky listeners chosen to travel across Canada at CJAD's expense, visit Quebec City's Mayor during the Quebec Winter Carnival.
5. Among the sports figures interviewed by CFRB Sports Director Bill Stephenson was controversial boxer, Cassius Clay, during a Toronto appearance.
6. CJAD's extensive "Expo Station" promotion for the world fair included four "spectacular" painted bulletins at Montreal's main entrances.
7. CJAD Vice President and General Manager H. T. McCurdy, left; Expo Mayor Philip de Gaspe Beaubien; His Worship Mayor Jean Drapeau; Expo Hostess Jackie Bernier; and CJMS President M. Raymond Crepault examine John J. Gillin Jr. "Station of the Year" Award presented to CJAD and CJMS for outstanding community service on behalf of Expo '67.
8. CFRB's Jack Dennett, Bob Hesketh, Bill Hutton, and Gordon Sinclair discuss "The High Cost of Education" with Ontario Education Minister William Davis (centre) on CFRB's weekly public affairs program, "Let's Discuss It".
9. Colourful posters display "Your Kind of Music" theme for CKFM on main traffic arteries throughout Metropolitan Toronto.
10. George Armstrong, Captain of the Stanley Cup Champion Maple Leafs was guest speaker at the Annual Awards Banquet of the Pro Drivers Club for young motorists sponsored by CFRB.
11. Quebec Premier Daniel Johnson was among the celebrities interviewed on CJAD, here with newsman Sidney Margles.
12. Television star Dennis Weaver, "Chester" of TV's "Gunsmoke" was among the celebrities who made guest appearances on CFRB.
13. Fast-rising Canadian singing star, Newfoundland-born Mary Lou Collins discusses her Canadian Talent Library selections with arranger Maurey Kaye during a CTL recording session.
14. A hundred children and parents saw Montreal's Christmas decorations at night from the air on CJAD's "Winter Wonderland Flight" before Christmas.
15. CFRB Vice President and General Manager Don Hartford hosted school teacher guests during the station's participation in Metropolitan Toronto Board of Trade's "Business Education Days".
16. Winners of the second annual CFRB Junior Mixed Curling Bonspiel, Toronto's Parkway Rink, receive CFRB Trophy from Wally Crouter.







CFRB · CKFM · CJAD · CJFM · SBS · CSBS · SBP